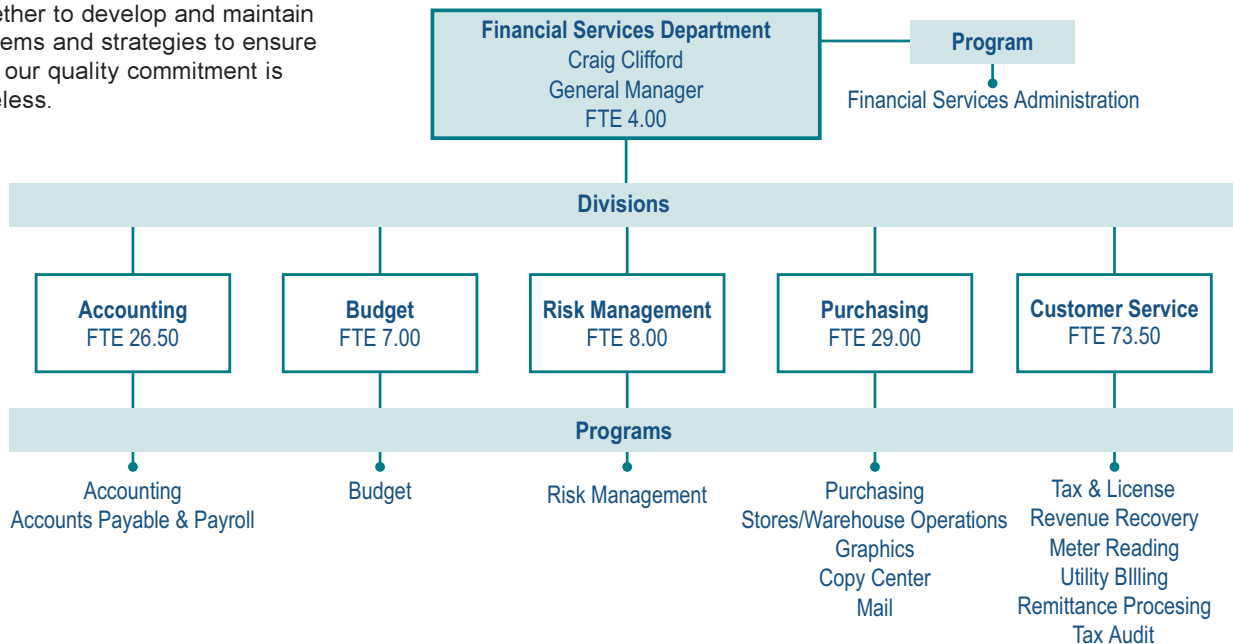


# Financial Services Department

## Mission

Provide personalized quality service and innovative solutions - each of us continually striving to understand our customer's individual needs and expectations while working together to develop and maintain systems and strategies to ensure that our quality commitment is timeless.



## Staff Summary

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Full-time Equivalent (FTE)	139.50	143.00	143.00	148.00
% of City's FTE				5.7%

## Expenditures By Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Personal Services	\$8,131,254	\$8,591,374	\$8,609,374	\$9,566,155
Contractual Services	8,534,207	7,318,166	7,334,066	7,454,835
Commodities	(170,906)	(234,837)	(238,902)	(184,524)
Capital Outlays	665	-	-	35,000
<b>Total Program Budget</b>	<b>\$16,495,220</b>	<b>\$15,674,703</b>	<b>\$15,704,538</b>	<b>\$16,871,466</b>
<b>% of City's Total Program Operating Budget</b>				<b>5.2%</b>

\*The contractual services for this department's FY 2005/06 budget does not reflect \$16.8 million budgeted for group health and dental claims and administration in the Self Insured Benefits-Internal Service Fund as shown in the Five-Year Financial Plan in Volume I.

## Program Description

The Financial Planning and Administration program coordinates the Financial Services Department's operations, facilitates Citywide financial planning, manages the City's short-term and long-term debt, coordinates the financing of City projects, and provides City management with current information concerning economic conditions and the potential fiscal impact to Scottsdale.

## Trends

Beginning to see slow improvement in the local economy, although the construction sector is forecast to be less of a factor than during the 90's. Market rates remain low providing an opportunity to move forward on some debt refunding as well as providing a favorable market for new bond issuances to fund the City's capital plan.

## Program Broad Goals

Maintain and enhance strategic financial plan elements and ensure the continued financial stability for the City of Scottsdale.

Develop financial policies, prepare strategic forecasts and assist others in developing long-term financial models to prudently manage assets and identify the City's capacity to fund future service and capital needs.

Seek optimum financing structure to mitigate debt service costs, while reinforcing our solid standing with credit rating agencies and maintain or improve Scottsdale's excellent bond ratings.

Diversify and enhance revenue sources, mitigate expenses and debt service costs, evaluate cash flow, and issue bonds when necessary to fund the City's capital program.

## Program 2005/06 Objectives

Manage expenditures very tightly, as the economy recovers and our revenue picture improves.

Continue the open position review process, with a focus on budget reductions by finding cost savings and operational efficiencies.

Carefully evaluate cashflow needs to manage General Fund contributions to capital projects, streamline our operations, and look to stabilize our retail privilege tax base.

## Program Provided in Partnership With

Mayor & City Council, City Management, City Staff

## Program Customers

Mayor & City Council, City Management, City employees, Scottsdale citizens

## City Council's Broad Goal(s)

Fiscal and Resource Management

## Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

## Special Equipment

SmartStream financial software

### Resources by Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
General Fund Support	\$314,527	\$370,896	\$464,566	\$525,353
<b>Total Program Revenues</b>	<b>\$314,527</b>	<b>\$370,896</b>	<b>\$464,566</b>	<b>\$525,353</b>

### Expenditures By Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Personal Services	\$277,546	\$325,547	\$419,133	\$476,327
Contractual Services	34,914	38,669	38,753	40,676
Commodities	2,067	6,680	6,680	8,350
<b>Total Program Budget</b>	<b>\$314,527</b>	<b>\$370,896</b>	<b>\$464,566</b>	<b>\$525,353</b>

**Performance Measures**

**Program/Service Outputs: (goods, services, units produced)**

	<b>Actual FY 2002/03</b>	<b>Actual FY 2003/04</b>	<b>Projected FY 2004/05</b>	<b>Projected FY 2005/06</b>
% of total cash actively invested	99.9%	99.9%	99.9%	99.9%
Weighted average yield on investments	2.50%	2.75%	3.0%	3.0%

**Program/Service Outcomes: (based on program objectives)**

	<b>Actual FY 2002/03</b>	<b>Actual FY 2003/04</b>	<b>Projected FY 2004/05</b>	<b>Projected FY 2005/06</b>
Maintain or improve General Obligation Bond rating which contributes to lower cost of debt	Moody's Aaa S&P AAA Fitch AAA	Moody's Aaa S&P AAA Fitch AAA	Moody's Aaa S&P AAA Fitch AAA	Moody's Aaa S&P AAA Fitch AAA
% of fees and charges examined annually to ensure they recover all direct and indirect costs of service. (Enterprise, non-enterprise, and development impact fees)	100%	100%	100%	100%

**Program Staffing**

1 Full-Time Admin Secty	1.00
1 Full-Time Finance Mgr	1.00
1 Full-Time Financial Svc Tech Mgr	1.00
1 Full-Time GM Financial Svc	1.00
<b>Total Program FTE</b>	<b>4.00</b>

**Prior Year Highlights**

Refunded \$65.15 million of Preserve-tax supported General Obligation (GO) bonds and \$8.42 million of property-tax supported GO bonds, resulting in a present value savings of \$3.2 million. This activity will have a positive impact on the City's taxpayers over the next 19 years.

Sold over \$60.7 million of new bonds related to land purchase for the ASU Center for New Technology and Innovation and to fund improvements to MLB spring training facilities. Entered into a \$7.65 million lease/purchase agreement to finance purchase/upgrades of the new Fire and Police administration building.

Received affirmation from all three credit rating agencies of AAA GO rating and AA+ MPC rating. Affirmation referred to the City's record of carefully monitoring revenues and expenditures and timely adjustments, exemplary fiscal management, and resumed sales tax growth.

### Program Description

The Accounting program maintains the City's financial systems and fiscal controls over: Special Assessments, Cash and Investments, Fixed Assets, and Grants. In addition, the program provides in-house training, guidance and support to City staff related to financial controls, systems, laws and policies & procedures. The program is also responsible for the coordination of the financial statement audit and preparation of the City's annual financial statements, grant compliance, expenditure limitation reports per Arizona Revised Statute and City Code, and the preparation of special and monthly reports.

### Trends

Accounting's program budget shows a slight increase from prior years due to contractual and salary increases.

### Program Broad Goals

Develop and Maintain Integrated Financial Systems - Develop and administer the various financial operating and internal control systems to ensure data integrity and ease of financial information tracking.

Provide Financial Information to Stakeholders - Prepare and distribute financial information to interested stakeholders, i.e., citizens, media, financial institutions, and City staff on which they can make informed judgments and decisions about City operations and finances.

Be a Financial and Administrative Consultant to Departments - Provide training, advice, tools and support to departmental customers and City Council to increase their financial knowledge and confidence with their administrative responsibilities.

### Program 2005/06 Objectives

Maintain the City's accounting and financial reporting systems in conformance with all state and federal laws, Generally Accepted Accounting Principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

Maintain financial systems internal controls to monitor expenditures and program performance on an ongoing basis.

Produce financial reports and make available on the City's intranet site no later than 5 working days after the last business day of the month.

### Program Provided in Partnership With

Accounts Payable & Payroll, Budget

### Program Customers

City Council, City employees, Scottsdale citizens, investors, news media, creditors, Budget program

### City Council's Broad Goal(s)

Fiscal and Resource Management

### Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

### Special Equipment

SmartStream financial software, COGNOS impromptu report writer, Cashier for Windows (cashiering software), D-Fast (Special Assessments Software), Internet Banking, Intranet, Desktop Publishing Software, Printing

#### Resources by Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
General Fund Support	\$1,525,036	\$1,491,995	\$1,491,995	\$1,667,113
<b>Total Program Revenues</b>	<b>\$1,525,036</b>	<b>\$1,491,995</b>	<b>\$1,491,995</b>	<b>\$1,667,113</b>

#### Expenditures By Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Personal Services	\$907,938	\$849,549	\$849,549	\$888,358
Contractual Services	609,617	630,026	630,026	770,890
Commodities	7,481	12,420	12,420	7,865
<b>Total Program Budget</b>	<b>\$1,525,036</b>	<b>\$1,491,995</b>	<b>\$1,491,995</b>	<b>\$1,667,113</b>

## Performance Measures

## Program/Service Outputs: (goods, services, units produced)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
% of monthly closes within 5 working days of	100%	100%	100%	100%
# of journal entry/budget transfers processed annually	5,736	5,239	5,364	5,487

## Program/Service Outcomes: (based on program objectives)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
Annual audit and single audit opinions from external auditors are unqualified with an opinion date of September 15th or prior.	9/14/01	9/13/02	9/14/03	9/10/04
Comprehensive Annual Financial Report in conformance with GAAP and meets GFOA financial reporting excellence benchmarks	Yes	Yes	Yes	Yes

## Program Staffing

4 Full-Time Acctg Coord	4.00
1 Full-Time Acctg Dir	1.00
1 Full-Time Admin Secty	1.00
1 Full-Time Enterprise Finance Dir	1.00
2 Part-Time Financial Serv Tech	1.00
1 Full-Time Sr Acctg Clerk	1.00
3 Full-Time Syst Integrator	3.00
<b>Total Program FTE</b>	<b>12.00</b>

## Prior Year Highlights

Focused on education of the new Fire Department Administration and assimilation of Rural Metro firefighters into the City of Scottsdale. Topics included: financial issues, public accountability, responsibilities, and prudent management of public funds.

Developed and initiated a new plan related to Sponsorship and Naming Rights Agreements. The "Sponsor" provides funds, goods or services to the City of Scottsdale, as consideration for recognition, acknowledgment, or other promotional considerations or benefits, in respect to a City facility, property or program.

Continued review and analysis of technological enhancements to achieve efficiencies and cost savings, such as the new SmatStream Active Access - Web Requisitions system. This new program will enable a larger group of people to initiate purchasing requisitions through the current financial system at a lower licensing fee per user.

## Program Description

The Accounts Payable and Payroll program develops, implements and maintains payment processes in compliance with all Federal, State, and City regulations.

## Trends

Over the past four years the accounts payable area has experienced processing volume increases due to growth and the elimination of nearly one-half of the City's procurement cards in late fiscal year 2001/02. The increase in volume was initially tempered by citywide general fund cost reduction efforts. The recovery of the economy as well as the addition of a municipal fire department has resulted in additional workloads for both the accounts payable and payroll functions during the FY 2004/05. The program added 1.5 FTE in the second half of FY 2004/05 to ensure that internal controls are properly maintained and that payments continue to be processed in a timely and accurate manner.

## Program Broad Goals

**Develop and Maintain Integrated Financial Systems** - Develop and administer the various financial operating and internal control systems to ensure data integrity and ease of financial information tracking.

**Provide Financial Information to Stakeholders** - Prepare and distribute financial information to interested stakeholders, i.e., citizens, media, financial institutions, and City staff on which they can make informed judgments and decisions about City operations and finances.

**Develop and implement efficient and effective payment processes.** Ensure payroll and accounts payable transactions are processed in a timely, efficient and accurate manner.

## Program 2005/06 Objectives

Continue to maintain all systems, payroll and accounts payable transactions, and records in conformance with all State and Federal laws, and City administrative regulations.

Complete all payroll processes by 3 p.m. on payroll week and maintain a backlog of accounts payable invoices, which is 3 days, or less.

Upgrade the City's timekeeping system (Webtime).

## Program Provided in Partnership With

Human Resources, Accounting, Budget, departmental timekeepers, SP3s

## Program Customers

City Council, City employees, Scottsdale citizens, vendors, news media

## City Council's Broad Goal(s)

Fiscal and Resource Management

## Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

## Special Equipment

SmartStream financial software, TotalHR (human resources/payroll) financial software, Webtime (timekeeping) software, check sealer

### Resources by Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
General Fund Support	\$785,708	\$910,308	\$927,050	\$1,037,788
<b>Total Program Revenues</b>	<b>\$785,708</b>	<b>\$910,308</b>	<b>\$927,050</b>	<b>\$1,037,788</b>

### Expenditures By Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Personal Services	\$688,810	\$779,436	\$779,436	\$875,815
Contractual Services	90,156	116,728	125,185	148,737
Commodities	6,742	14,144	22,429	13,236
<b>Total Program Budget</b>	<b>\$785,708</b>	<b>\$910,308</b>	<b>\$927,050</b>	<b>\$1,037,788</b>

## ACCOUNTS PAYABLE & PAYROLL

## Financial Services Department

### Performance Measures

#### Program/Service Outputs: (goods, services, units produced)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
# of payroll checks and direct deposits processed	62,127	61,566	60,635	60,709
# of accounts payable checks issued	35,636	35,344	34,547	35,500

#### Program/Service Outcomes: (based on program objectives)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
% of time Payroll processed biweekly by 3 p.m. on Thursday	100%	100%	100%	100%
% of time that the backlog of invoices is 3 days or less	100%	100%	100%	100%

#### Program Staffing

2 Part-Time Acctg Clerk	1.00
4 Full-Time Acctg Clerk	4.00
1 Full-Time Lead Acct Payable Spec	1.00
1 Full-Time Lead Payroll Spec	1.00
1 Full-Time Payables Mgr	1.00
4 Full-Time Payroll Spec	4.00
1 Full-Time Syst Integrator	1.00
1 Part-Time Syst Integrator	0.50
1 Full-Time Tech Spec	1.00
<b>Total Program FTE</b>	<b>14.50</b>

#### Prior Year Highlights

Collaborated with many departments to identify challenges and develop significant system and process enhancements necessary to administer the unique requirements of the new Fire Department. Examples: increased purchases, leave accrual analysis, 24-hour shifts, income-averaged pay, regulatory adherence, and establishment of an alternative method of timekeeping and data transfer.

Expanded the current functionality to provide additional alpha-numeric data fields to assist with project/task tracking of labor.

Partnered with Water and Police representatives to review proposals and award a contract for a replacement time keeping system. Final scope of work and implementation of the new software will be completed in fiscal year 2005-06.



## Program Description

The Budget program is responsible for the preparation and adoption of the City's annual budget per the terms and due dates mandated in the Arizona Revised Statute and City Code. It coordinates the development and the ongoing monitoring of the Citywide operating and capital budgets on behalf of the City Manager. Embodied within this process is assisting City Council with the City's budget public input efforts, preparing and monitoring of the Five-Year Financial Plan for all funds, and assisting the Citizen Bond Review Commission, City Council Budget Subcommittee, citizens, and media with their questions regarding the City's budget.

## Trends

The budget was prepared using a better economic forecast than the City has seen in the past four years. After an extended period of positive economic growth for the City and the nation, the City has prepared a budget that reflects modest economic improvement in the local, state, and national economies. For the first time in nearly three years, some of the City's main industries, such as tourism and hospitality, are showing signs of improvement, which positively impact the City's privilege tax and transient occupancy tax revenues. The improving conditions still do not come close, however, to the robust growth experienced by the City in the mid-1990s. There is continuing uncertainty about the sustainability of the emerging economic recovery due to a number of fluctuating economic factors, including a sluggish job market, skittish consumer confidence, high energy prices, rising interest rates, high levels of national and consumer debt, the war in Iraq, and the continued threat of terrorism.

## Program Broad Goals

Prepare a balanced five-year financial plan for each fund using conservative revenue and expenditure estimates.

Prepare a balanced operating and capital budget that effectively addresses City Council's Broad Goals, citizen's priorities, and complies with all applicable federal, state and local requirements.

### Resources by Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
General Fund Support	\$509,712	\$544,208	\$544,208	\$662,451
<b>Total Program Revenues</b>	<b>\$509,712</b>	<b>\$544,208</b>	<b>\$544,208</b>	<b>\$662,451</b>

### Expenditures By Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Personal Services	\$476,292	\$508,189	\$508,189	\$613,800
Contractual Services	30,078	30,154	30,154	37,827
Commodities	3,342	5,865	5,865	8,324
Capital Outlays	-	-	-	2,500
<b>Total Program Budget</b>	<b>\$509,712</b>	<b>\$544,208</b>	<b>\$544,208</b>	<b>\$662,451</b>

## Program 2005/06 Objectives

Continue working collaboratively with the Capital Project Management staff to improve the Capital Improvement Plan (CIP) cash flow requirements analysis and reporting, in order to minimize the likelihood of premature or excessive cash transfers to the CIP from the General Fund.

Continue building and refining the City's program budget information to facilitate a more comprehensive review of the City's operating budget, which contributes to more effective policy discussions and decisions.

Continue to refine the effectiveness and efficiency of the citizen budget input process in conjunction with the City Manager and City Council.

## Program Provided in Partnership With

City Manager, Accounting, Risk Management, Capital Project Management, Accounts Payable & Payroll, Human Resources, Fleet

## Program Customers

City Council, City Manager, City employees, Citizen Bond Review Commission, City Council Budget Subcommittee, Scottsdale citizens, businesses, media

## City Council's Broad Goal(s)

Fiscal and Resource Management

## Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, fax machines, copier

## Special Equipment

SmartStream financial software, desktop publishing software



## BUDGET

## Financial Services Department

### Performance Measures

#### Program/Service Outputs: (goods, services, units produced)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
% of monthly Citywide revenue monitoring reports prepared timely and reviewed	100%	100%	100%	100%
Budget meets or exceeds all requirements and GFOA reporting excellence benchmarks	Yes Especially Notable	Yes Especially Notable	Yes	Yes

#### Program/Service Outcomes: (based on program objectives)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
% of Capital Improvement Plans in compliance with the City's adopted Financial Policies	100%	100%	100%	100%
Produce a balanced 5-year plan of revenues and expenditures	In Compliance	In Compliance	In Compliance	Non-Compliance

#### Program Staffing

1 Full-Time Budget Dir	1.00
1 Full-Time Mgmt Anlst	1.00
5 Full-Time Sr Budget Anlst	5.00
<b>Total Program FTE</b>	<b>7.00</b>

#### Prior Year Highlights

Supported the City Council Budget Subcommittee's public input process, which provided citizens with extensive opportunities and methods of communicating (in person, e-mail, public budget forums, Subcommittee budget hearings, telephone, and US mail) their feedback and priorities to City Council and senior City staff during the FY 2005/06 budget development.

Received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the City's FY 2004/05 budget.

Received "Special Recognition" from the Government Finance Officers Association (GFOA) for the City's FY 2005/06 capital projects budget document and use of performance measures.

## RISK MANAGEMENT

## Financial Services Department

### Program Description

The Risk Management program coordinates the City's safety and risk management function, including the procurement of insurance; investigates and adjusts claims in the areas of property loss, liability, workers' compensation; Occupational Safety and Health Administration (OSHA); unemployment compensation exposures; and assists in the preparation of fiscal impact statements and negotiation in the area of employee health benefits. This budget is offset by internal service "user rates" charged to other City operating departments.

### Trends

The City has experienced a dramatic increase in property-casualty insurance premiums since the September 11, 2001 terrorist attacks. The international insurance markets are moderating somewhat, but premiums will continue at very high levels for the next several years.

### Program Broad Goals

- Reduce and contain the financial impact of liability and employee accident claims against the City to reduce costs to taxpayers.
- Provide employee safety in the workplace through highly visible efforts and programs.
- Maintain OSHA Voluntary Protection Program (VPP) Star certification.

### Program 2005/06 Objectives

- Achieve the most cost effective excess insurance program for the premium funding available.
- Maintain financial health of Loss Trust Fund.
- Keep total risk expenditures to less than 2% of overall City operating budget.

### Program Provided in Partnership With

City Attorney, Human Resources, Purchasing, Contract Administrators, Fleet, Police, Accounting

### Program Customers

City employees at all levels, Scottsdale citizens, outside defense attorneys, AZ Industrial Commission, AZ Department of Economic Security, AZ Occupational Safety and Health Administration (OSHA), Loss Trust Fund Advisory Trustees

### City Council's Broad Goal(s)

Fiscal and Resource Management

### Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

### Special Equipment

SmartStream financial software, radio, cell phones, pagers, City vehicle

#### Resources by Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Internal Service Fund Charges/Support	\$6,656,855	\$5,233,735	\$5,239,144	\$5,298,308
<b>Total Program Revenues</b>	<b>\$6,656,855</b>	<b>\$5,233,735</b>	<b>\$5,239,144</b>	<b>\$5,298,308</b>

#### Expenditures By Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Personal Services	\$525,126	\$502,736	\$520,736	\$605,988
Contractual Services	6,040,478	4,688,499	4,688,499	4,663,920
Commodities	91,251	42,500	29,909	28,400
<b>Total Program Budget</b>	<b>\$6,656,855</b>	<b>\$5,233,735</b>	<b>\$5,239,144</b>	<b>\$5,298,308</b>

\*The contractual services for this program's FY 2005/06 budget does not reflect \$16.6 million budgeted for group health and dental claims and administration in the Self Insured Benefits-Internal Service Fund as shown in the Five-Year Financial Plan in Volume I.

## RISK MANAGEMENT

## Financial Services Department

### Performance Measures

#### Program/Service Outputs: (goods, services, units produced)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
Premiums for excess insurance program	\$978,031	\$1,461,982	\$1,636,002	\$1,636,002

#### Program/Service Outcomes: (based on program objectives)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
Maintain Risk Management budget to within 2% of City's operating budget	2.13%	1.73%	1.90%	1.90%
Fund the City's Loss Trust Fund to minimum of 100% of the Actuary's recommended fund balance.	111%	111%	105%	105%

#### Program Staffing

2 Full-Time Admin Secty	2.00
1 Full-Time Claims Mgr	1.00
1 Full-Time Contract Coord	1.00
1 Full-Time Financial Serv Tech	1.00
1 Full-Time Risk Mgmt Dir	1.00
1 Full-Time Risk Svc Mgr	1.00
1 Full-Time Wrks Compensation Claims Spec	1.00
<b>Total Program FTE</b>	<b>8.00</b>

#### Prior Year Highlights

Participated in the core Fire Transition Team efforts in the areas of Safety Plans and incorporating the Fire Department risk exposures into the City's self insured property-casualty program and group health and dental plans.

Significant movement to a web-based OSHA training program and documentation system.

Extensive participation on the team forecasting future year's group health and dental plans cost projections.

### Program Description

The Purchasing program is responsible for the acquisition and/or facilitation of all materials, services, and construction required by the City and provides assistance to Contract Administrators. It analyzes products for their environmental impact, actively seeks environmentally friendly products, and promotes opportunities for Minority Business Enterprises (MBE) and Women-owned Business Enterprises (WBE).

### Trends

All public procurement programs are using more electronic means of buying, bidding, and contracting. Scottsdale's Purchasing is studying opportunities for using the State of Arizona Bidder Registration System. A joint system will allow bidders a one-stop registration for many public agencies.

### Program Broad Goals

Implement flexible procurement processes and secure long-term contracts and advantageous pricing arrangements (procurement cards, on-line ordering, cooperative purchasing, etc.) to continue to reduce processing costs.

Educate City staff so they can make informed judgments and decisions about best value procurement of goods and services.

Create a broad and diverse vendor base for the City by sponsoring trade fairs and other outreach programs for minority and women-owned businesses to heighten the awareness of purchasing opportunities for emerging and disadvantaged businesses.

### Program 2005/06 Objectives

Expand the number of contracts that are available for City departments to procure goods on their own.

Increase the opportunities for minority owned businesses and women owned businesses to do business with Scottsdale.

### Program Provided in Partnership With

All City departments, business community

### Program Customers

Mayor, City Council, City Manager, all City departments, business community

### City Council's Broad Goal(s)

Fiscal and Resource Management

### Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

### Special Equipment

SmartStream financial software

#### Resources by Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
General Fund Support	\$1,026,747	\$1,101,475	\$1,101,668	\$1,164,463
<b>Total Program Revenues</b>	<b>\$1,026,747</b>	<b>\$1,101,475</b>	<b>\$1,101,668</b>	<b>\$1,164,463</b>

#### Expenditures By Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Personal Services	\$938,515	\$1,003,510	\$1,003,510	\$1,061,417
Contractual Services	77,419	81,985	82,178	87,021
Commodities	10,148	15,980	15,980	16,025
Capital Outlays	665	-	-	-
<b>Total Program Budget</b>	<b>\$1,026,747</b>	<b>\$1,101,475</b>	<b>\$1,101,668</b>	<b>\$1,164,463</b>

## PURCHASING

## Financial Services Department

### Performance Measures

#### Program/Service Outputs: (goods, services, units produced)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
# of Purchase Orders processed	8,531	10,212	12,254	14,705

#### Program/Service Outcomes: (based on program objectives)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
# of long term contracts in place	245	255	270	295

#### Program Staffing

1 Full-Time Admin Secty	1.00
1 Full-Time Bid & Contract Asst	1.00
1 Full-Time Bid & Contract Coord	1.00
4 Full-Time Bid & Contract Spec	4.00
3 Full-Time Buyer	3.00
1 Full-Time Financial Serv Tech	1.00
1 Full-Time Purchasing Clerk	1.00
1 Full-Time Purchasing Dir	1.00
1 Full-Time Purchasing Mgr	1.00
1 Full-Time Tech Spec	1.00
<b>Total Program FTE</b>	<b>15.00</b>

#### Prior Year Highlights

Earned the Achievement of Excellence in Public Procurement for the sixth consecutive year.

Developed and implemented an on-line computer training for Purchasing Card supervisors.

Purchased goods and services for the City Fire Department.

## STORES/WAREHOUSE OPERATIONS

## Financial Services Department

### Program Description

The Stores and Warehouse Operations program maintains and dispenses inventory items, manages surplus property and acts as a short-term storage facility.

### Trends

More staff time is devoted to the proper disposal of environmentally sensitive assets. With just-in-time purchasing, more short-term storage space is needed vs. long-term storage. The Warehouse is being developed as a first line defense against improper packages entering into the Scottsdale work place.

### Program Broad Goals

Receive goods at the Warehouse, provide security screening, and distribute to all City departments.

Receive, recycle, store and dispose of surplus property.

Receive and dispose of waste, batteries, ballasts, lamps, toner cartridges, and inkjet cartridges.

### Program 2005/06 Objectives

Develop security systems that ensure dangerous items do not enter into the City work place.

Develop better systems to account for the disposition of high-risk materials.

Develop inventory lists, storage locations, delivery routes, and work plans for a new municipal fire station.

### Program Provided in Partnership With

All City departments, business community

### Program Customers

City departments, business community

### City Council's Broad Goal(s)

Fiscal and Resource Management

### Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

### Special Equipment

SmartStream financial software, vehicles, forklifts, cell phone

#### Resources by Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
General Fund Support	\$282,257	\$312,227	\$312,227	\$345,894
<b>Total Program Revenues</b>	<b>\$282,257</b>	<b>\$312,227</b>	<b>\$312,227</b>	<b>\$345,894</b>

#### Expenditures By Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Personal Services	\$251,159	\$277,238	\$277,238	\$289,812
Contractual Services	28,595	33,089	33,089	52,357
Commodities	2,503	1,900	1,900	3,725
<b>Total Program Budget</b>	<b>\$282,257</b>	<b>\$312,227</b>	<b>\$312,227</b>	<b>\$345,894</b>

## STORES/WAREHOUSE OPERATIONS

## Financial Services Department

### Performance Measures

#### Program/Service Outputs: (goods, services, units produced)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
# of offers to purchase	8	8	8	9

#### Program/Service Outcomes: (based on program objectives)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
Dollars returned to the City's General Fund through surplus property sales	\$49,154	\$65,000	\$85,000	\$100,000
Dollars saved by the City through the use of surplus property	\$115,790	\$22,000	\$25,000	\$27,500

#### Program Staffing

2 Full-Time Lead Stock Clerk	2.00
1 Full-Time Purchasing Oper Mgr	1.00
2 Full-Time Stock Clerk	2.00
<b>Total Program FTE</b>	<b>5.00</b>

#### Prior Year Highlights

Utilized a new contract for the sale of surplus and confiscated property. The new contract is adding about \$36,000 in additional funds to the City's General Fund.



## Program Description

The Graphics program designs or provides design assistance for printed material and is a resource to print to black and white and up to four-color printed materials for City programs.

## Trends

Graphics is experiencing more use of color in the jobs they are required to print. Printing is becoming more specialized and the Graphics team is spending more time consulting with City staff to meet their specialized printing needs.

## Program Broad Goals

Provide a professional graphics operation for the City that delivers a high quality, professional, cost-efficient product using both City assets and outside graphic vendors.

## Program 2005/06 Objectives

Implement web-based interface for graphics requisitions and business cards with interface to the General Ledger

Educate City staff about the different graphics processes and their effect on the finished process.

## Program Provided in Partnership With

Outside printing businesses

## Program Customers

City departments

## City Council's Broad Goal(s)

Fiscal and Resource Management

## Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

## Special Equipment

One color print press, four color print press, color copier, bindery machine, paper shearers, Adobe PageMaker, QuarkXpress, Adobe Photoshop, Apple Macintosh, Adobe Freehand, Adobe Illustrator, folder, drill press, saddle stitcher, negative processor, fiery interface, waste stream recovery system, fork lift

### Resources by Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
General Fund Support	\$109,627	\$108,637	\$116,128	\$81,328
<b>Total Program Revenues</b>	<b>\$109,627</b>	<b>\$108,637</b>	<b>\$116,128</b>	<b>\$81,328</b>

### Expenditures By Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Personal Services	\$244,971	\$226,118	\$226,118	\$243,618
Contractual Services	205,275	325,507	332,757	224,490
Commodities	-340,619	-442,988	-442,747	-386,780
<b>Total Program Budget</b>	<b>\$109,627</b>	<b>\$108,637</b>	<b>\$116,128</b>	<b>\$81,328</b>

**Performance Measures**

**Program/Service Outputs: (goods, services, units produced)**

	<b>Actual FY 2002/03</b>	<b>Actual FY 2003/04</b>	<b>Projected FY 2004/05</b>	<b>Projected FY 2005/06</b>
# of Graphics Requisitions	469,852	550,000	600,000	650,000
# of impressions	5.06M	5.5M	6.0M	6.5M

**Program/Service Outcomes: (based on program objectives)**

	<b>Actual FY 2002/03</b>	<b>Actual FY 2003/04</b>	<b>Projected FY 2004/05</b>	<b>Projected FY 2005/06</b>
% of Graphics Requisitions completed by due date	90%	90%	90%	90%
% of Graphics Requisitions completed without Graphics error	95%	95%	95%	95%

**Program Staffing**

1 Full-Time Bid & Contract Spec	1.00
1 Full-Time Graphics Dsgnr	1.00
1 Full-Time Graphics Tech	1.00
1 Full-Time Sr Graphics Tech	1.00
<b>Total Program FTE</b>	<b>4.00</b>

**Prior Year Highlights**

Implemented a new City-wide networked copier contract. This contract provides better pricing to the City and additional features on the copiers.

## COPY CENTER

## Financial Services Department

### Program Description

The Copy Center is an outsourced operation responsible for producing or purchasing copier services.

### Trends

The number of copies printed each year continues to rise. The amount of time available to copy and print the high volume Council packets is decreasing.

### Program Broad Goals

Continue to secure copier contracts and advantageous pricing arrangements.

Provide a quick and efficient change over for the Copy Center contractor.

### Program 2005/06 Objectives

Copy Council Reports and special commissions, reports, agendas, minutes, and distribute ten days before the next scheduled meeting.

### Program Provided in Partnership With

All City departments and copier vendor

### Program Customers

Mayor, City Council, City Manager, all City departments

### City Council's Broad Goal(s)

Fiscal and Resource Management

### Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

### Special Equipment

High Volume Copier, CLC 5000 color copier, GBC binder

#### Resources by Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
General Fund Support	-\$67,658	-\$95,818	-\$95,818	-\$95,325
<b>Total Program Revenues</b>	<b>-\$67,658</b>	<b>-\$95,818</b>	<b>-\$95,818</b>	<b>-\$95,325</b>

#### Expenditures By Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Personal Services	-	\$7,421	\$7,421	\$7,920
Contractual Services	-71,567	-118,488	-118,488	-118,494
Commodities	3,909	15,249	15,249	15,249
<b>Total Program Budget</b>	<b>-\$67,658</b>	<b>-\$95,818</b>	<b>-\$95,818</b>	<b>-\$95,325</b>

## Performance Measures

## Program/Service Outputs: (goods, services, units produced)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
# of copies made by the contractor	4,070,641	4,383,426	4,500,000	4,750,000
Total # of copies processed by the Copy Center	4.07M	4.65M	5.0M	5.4M

## Program/Service Outcomes: (based on program objectives)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
% of copy jobs completed without Copy Center error	95%	95%	95%	95%
% of copy jobs completed by due date	99%	99%	99%	99%

## Program Staffing

No specific staff positions or FTE's are assigned to this program.

## Prior Year Highlights

Upgraded the color copier software that allows variable data printing.

## MAIL SERVICES

## Financial Services Department

### Program Description

The Mail program provides timely pick-up and delivery of in-house and U.S. mail for the City departments. Other services include sorting and inserting City prepared fliers in utility bill mailings.

### Trends

The mail volume continues to increase at about 10% per year. The number of mail stops is also increasing each year as the City adds additional facilities or locations.

### Program Broad Goals

Provide safe mail to all operating departments in a timely manner.  
Continue to secure pre-sort mail services contracts and advantageous pricing arrangements.  
Continue to educate City staff about mail requirements and the most cost effective methods to mail.

### Program 2005/06 Objectives

Receive, open, and deliver mail to all offices within the mail delivery areas.  
Ensure that all mail delivered to city offices is safe.

### Program Provided in Partnership With

All City departments, United States Post Office

### Program Customers

Mayor, City Council, City Manager, all City departments

### City Council's Broad Goal(s)

Fiscal and Resource Management

### Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

### Special Equipment

Mail sorter, mail inserter, Paragon postage meter, letter opener, and two vans

### Resources by Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
General Fund Support	\$451,090	\$700,730	\$719,605	\$783,771
<b>Total Program Revenues</b>	<b>\$451,090</b>	<b>\$700,730</b>	<b>\$719,605</b>	<b>\$783,771</b>

### Expenditures By Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Personal Services	\$130,540	\$187,647	\$187,647	\$226,357
Contractual Services	310,667	466,603	485,478	492,574
Commodities	9,883	46,480	46,480	46,840
Capital Outlays	-	-	-	18,000
<b>Total Program Budget</b>	<b>\$451,090</b>	<b>\$700,730</b>	<b>\$719,605</b>	<b>\$783,771</b>

## MAIL SERVICES

## Financial Services Department

### Performance Measures

#### Program/Service Outputs: (goods, services, units produced)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
# of pieces of mail delivered	2,934,600	3,500,000	4,000,000	4,500,000

#### Program/Service Outcomes: (based on program objectives)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
% of mail processed by staff within one day of receipt	99.8%	97%	97%	97%

#### Program Staffing

4 Full-Time Mail Srvc Courier	4.00
1 Part-Time Mail Srvc Courier	0.50
1 Part-Time Stock Clerk	0.50
<b>Total Program FTE</b>	<b>5.00</b>

#### Prior Year Highlights

Realigned mail delivery routes and schedules to facilitate additional stops required by the Fire Department.

**Program Description**

The Tax and License program ensures that all businesses conducting business in Scottsdale are properly licensed. It administers and collects privilege, transient occupancy and business license taxes, special license fees, alarm user permits, false alarm activation fees, and liquor license fees.

**Trends**

Tax & License continued to see an increase in the number of business licenses processed due to the state of the local economy. Businesses continued to close leading to the opening of new businesses causing increased customer contacts, maintenance of license accounts, and applications to process.

**Program Broad Goals**

Collect transaction privilege (sales) tax, mail tax returns, review and correct tax return errors, and generate financial reporting of tax revenue.

License and permit businesses and individuals to comply with City Code, process applications, maintain accounts, renew billing/notification, provide administrative support for the Police Department and other City departments for the regulation of occupations and professions that impact the health, safety and welfare of the City, and generate financial reporting relating to licensing fees and revenue.

Bill false alarm activations based on data provided by the Police Department, maintain accounts, track and report alarm users, and generate financial reporting of revenue generated by alarm activation billing.

**Program 2005/06 Objectives**

Provide customers with on-line services to apply for a business license by February 2006.

Implement the replacement of the licensing, alarm activation billing and transaction sales systems by October 2005.

**Program Provided in Partnership With**

Information Systems, Police, Code Enforcement, Tax Audit, Transportation, Revenue Recovery, Accounting, Budget, Solid Waste, Planning & Development Services, Economic Vitality, City Prosecutor Office, City Attorney Office, Remittance Processing, Mailroom

**Program Customers**

City Businesses and license holders

**City Council's Broad Goal(s)**

Fiscal and Resource Management

**Basic Equipment**

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

**Special Equipment**

Vehicle for inspectors, ID photo/license system, fingerprint equipment, InfoImage, Banner-Licensing & alarm billing system, STARS-Transaction sales tax system, Data warehouse, document replication utility, desktop faxing, Automatic Call Distribution

**Resources by Type**

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
General Fund Support	\$830,161	\$753,128	\$753,128	\$796,303
<b>Total Program Revenues</b>	<b>\$830,161</b>	<b>\$753,128</b>	<b>\$753,128</b>	<b>\$796,303</b>

**Expenditures By Type**

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Personal Services	\$583,559	\$660,803	\$660,803	\$726,331
Contractual Services	239,805	81,005	81,005	58,072
Commodities	6,797	11,320	11,320	11,900
<b>Total Program Budget</b>	<b>\$830,161</b>	<b>\$753,128</b>	<b>\$753,128</b>	<b>\$796,303</b>



**Performance Measures**

**Program/Service Outputs: (goods, services, units produced)**

	<b>Actual FY 2002/03</b>	<b>Actual FY 2003/04</b>	<b>Projected FY 2004/05</b>	<b>Projected FY 2005/06</b>
Customer Contacts (at counter & telephones)	97,012	94,440	91,900	92,500
Active licensees and those that have applied but not yet approved or denied	53,964	54,809	56,500	57,300

**Program/Service Outcomes: (based on program objectives)**

	<b>Actual FY 2002/03</b>	<b>Actual FY 2003/04</b>	<b>Projected FY 2004/05</b>	<b>Projected FY 2005/06</b>
% of applications/checks without statements processed within 3 work days	68%	60%	70%	75%
% of calls answered within 30 seconds	98%	95%	95%	93%

**Program Staffing**

1 Full-Time Cust Svc Mgr	1.00
8 Full-Time Cust Svc Rep	8.00
1 Full-Time Lead Cust Svc Rep	1.00
2 Full-Time License Insp	2.00
1 Full-Time Tech Spec	1.00
<b>Total Program FTE</b>	<b>13.00</b>

**Prior Year Highlights**

Implemented the voter approved tax rate increase.

Selected a vendor through the RFP process and began the alarm billing, licensing & transaction privilege tax processing systems replacement project.

Partnered with Revenue Recovery, Tax Audit and the City Prosecutor's office to establish procedures for citing unlicensed businesses

### Program Description

The Revenue Recovery program collects delinquent money owed to the City primarily related to utility bills, sales taxes, licensing fees, tax audit assessments, false alarm activation charges and parking tickets. Methods of delinquent collection include mailing notices and statements, telephone contact, water turn off, filing liens and lawsuits, and the use of outside collection agencies.

### Trends

With the new Personal Bankruptcy code going into effect later this year, we expect to see a decrease in the number of bankruptcy filings that impact the City's receivables. The City is already experiencing a reduction in the total number of delinquent accounts outstanding.

### Program Broad Goals

Use appropriate collection methods following State and Federal collection laws to collect delinquent monies owed to the City.

Refer accounts to City Attorney's office for legal action when all other collection efforts have been exhausted.

Track and record accounts that are determined to be uncollectible.

### Program 2005/06 Objectives

Implement a new collection system by June 2006. This project seeks to enhance the existing collections and activity tracking tools employed by the collectors of Revenue Recovery to provide enhanced integration with the newly implemented regulatory, sales tax, and utility billing systems. The aim of this integration is the more efficient and effective collection of delinquent monies owed to the City.

Coordinate collection efforts with other City departments to manage aged receivables. Work with City Attorney, Prosecutor, and Police Dept. to provide enforcement and collection of receivables outstanding as allowed by City code.

### Program Provided in Partnership With

Utility Billing, Meter Reading, Tax & License, Tax Audit, Remittance Processing, Risk Management, Accounting, City Attorney, Prosecutor, Police, Airport, Permit Services, Building Inspections, Solid Waste

### Program Customers

City Residents and Businesses

### City Council's Broad Goal(s)

Fiscal and Resource Management

### Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

### Special Equipment

Banner Licensing & Alarm Activation System, STARS-Sales Tax System, Utility Billing System, Collection activity tracking system, Parking Ticket Collection System

#### Resources by Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Enterprise Fund Program	\$389,883	\$432,755	\$376,507	\$425,721
User Fees/Charges/Support				
General Fund Support	389,883	432,804	376,507	425,721
<b>Total Program Revenues</b>	<b>\$779,766</b>	<b>\$865,559</b>	<b>\$753,014</b>	<b>\$851,442</b>

#### Expenditures By Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Personal Services	\$733,640	\$799,984	\$706,398	\$794,244
Contractual Services	40,894	58,201	39,242	45,533
Commodities	5,232	7,374	7,374	11,665
<b>Total Program Budget</b>	<b>\$779,766</b>	<b>\$865,559</b>	<b>\$753,014</b>	<b>\$851,442</b>

## REVENUE RECOVERY

## Financial Services Department

### Performance Measures

#### Program/Service Outputs: (goods, services, units produced)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
Average # of active delinquent accounts	11,779	13,018	14,059	15,184

#### Program/Service Outcomes: (based on program objectives)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
Dollars collected for every \$1.00 spent	\$13.02	\$13.77	\$15.64	\$17.00
Write-offs as a % of total revenue	0.1%	0.1%	0.2%	0.2%

#### Program Staffing

1 Full-Time Admin Secty	1.00
2 Full-Time Cust Svc Rep	2.00
4 Full-Time Revenue Collector	4.00
1 Full-Time Revenue Recovery Mgr	1.00
1 Part-Time Secty	0.50
1 Full-Time Sr Revenue Collector	1.00
3 Full-Time Syst Integrator	3.00
<b>Total Program FTE</b>	<b>12.50</b>

#### Prior Year Highlights

Decreased Sales Tax (32%) and Utility Billing (10%) write-off's from last year.

Revised collection procedures have been drafted for Revenue Recovery.

Established ability to view and file bankruptcy proof of claims through Public Access to Court Electronic Records (PACER) system.

## METER READING

## Financial Services Department

### Program Description

The Meter Reading program is responsible for accurately reading all water meters each month, daily connects/disconnects, delinquency turn-ons/off, high bill complaints and timely follow-up reads/re-reads of meters.

### Trends

The Meter Reading team continues to experience a yearly increase in the number of new meter installations. Based upon planned construction and the actual number of new installations for the past two fiscal years, we anticipate reading an additional 1,600 new meters this year. In addition to the more than 83,900 water meters currently read each month, the team is also experiencing an increase in the number of associated special readings and work requests received. This includes work orders, rereads, high bill complaints, and disconnects and reconnects for non-payment and customer moves. Our combined special readings and work orders reflect nearly a 3% increase over the last fiscal year in this area.

### Program Broad Goals

Ensure that 100% of the City water meters are read monthly and read accurately which will maximize revenue collection and comply with City ordinances.

Complete all internal and external service requests in a timely and efficient manner, which supports the goal of providing responsive customer service.

Provide leak detection assistance at customer request as a result of high bill complaints.

### Program 2005/06 Objectives

Begin implementation of a pilot automated meter reading (AMR) program designed to evaluate vendors and the various AMR systems by February 2006. Select an AMR vendor and award AMR contract by June 2006.

### Program Provided in Partnership With

Fleet, Water Operations, Risk Management, Community Development, Utility Billing, Remittance Processing, Revenue Recovery

### Program Customers

City residents and businesses

### City Council's Broad Goal(s)

Fiscal and Resource Management

### Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

### Special Equipment

Vehicles (right hand drive Jeeps & compact pickups), hand held meter reading system, hand held meter reading software, Utility Billing System, Land Information System (LIS), Community Development, Utility Cash Transmittal System, Delinquency Turn On Notification System (SOS), uniforms, various hand tools, and cell phones

#### Resources by Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Enterprise Fund Program User Fees/Charges/Support	\$934,121	\$973,961	\$973,961	\$1,065,659
<b>Total Program Revenues</b>	<b>\$934,121</b>	<b>\$973,961</b>	<b>\$973,961</b>	<b>\$1,065,659</b>

#### Expenditures By Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Personal Services	\$706,757	\$756,596	\$756,596	\$826,351
Contractual Services	220,443	211,737	211,737	218,446
Commodities	6,921	5,628	5,628	6,362
Capital Outlays	-	-	-	14,500
<b>Total Program Budget</b>	<b>\$934,121</b>	<b>\$973,961</b>	<b>\$973,961</b>	<b>\$1,065,659</b>

## METER READING

## Financial Services Department

### Performance Measures

#### Program/Service Outputs: (goods, services, units produced)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
# of meters read annually	943,212	971,508	986,080	1,000,870
# of meters per meter reader read monthly	6,605	6,806	6,908	7,012

#### Program/Service Outcomes: (based on program objectives)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
% of meters read accurately	99.91%	99.9%	99.9%	99.9%

#### Program Staffing

1 Full-Time Lead Wtr Meter Reader	1.00
1 Full-Time Meter Reader Mgr	1.00
2 Full-Time Wtr Audit Tech	2.00
12 Full-Time Wtr Meter Reader	12.00
<b>Total Program FTE</b>	<b>16.00</b>

#### Prior Year Highlights

Successfully initiated an easement clean-up campaign that has resulted in safer/easier access to water meters.

Read nearly 1 million meters; a new milestone.

Continued work on an automatic meter reader (AMR) system.

## UTILITY BILLING

## Financial Services Department

### Program Description

The Utility Billing program provides for the accurate and timely billing of the City's water, sewer, and solid waste services. Assists customers in applying for and discontinuing utility service. Educates customers regarding how to find the cause of any high water usage and responds to customer inquiries and disputes regarding their City utility accounts.

### Trends

The City's utility customer base grew by only 2% due to reduced City development. We expect this low growth to continue throughout the upcoming year. Staff handled 1.5% more customers in-person and over-the-phone. The two largest contacts are our customers moving (1,200 per month) and concerns about high water usage. We expect these trends to continue as the economy stabilizes and customers become even more familiar with the E-Services we offer.

### Program Broad Goals

Bill and collect water, sewer, solid waste and associated fees and taxes in a timely and accurate manner.

Establish accounts for customers requesting service and discontinue service as requested in a timely and accurate manner.

### Program 2005/06 Objectives

Complete the implementation of the new utility billing system by December 2005.

### Program Provided in Partnership With

Accounting, Citizen and Neighborhood Resources, Development Services/One Stop Shop, IS, Water Resources, Solid Waste Management, Parks, Water Operations, CAPA, Mail Room, Remittance Processing, Human Services Municipal Services, Tax Audit, Revenue Recovery, Meter Reading, City Attorney

### Program Customers

City Residents and Businesses

### City Council's Broad Goal(s)

Fiscal and Resource Management

### Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

### Special Equipment

InfoImage, AccuMail, InfoConnect, Itron Interface, Metroscan, Delinquency Turn On Notification System (SOS), Land Information System (LIS), Work Tracking System (WTS), IVR Daily Snapshot, Interactive Voice Response, Automatic Call Distribution, CIS Billing System, Unisys 2200, Desktop faxing, head sets, Computer Output to Laser Disc (COLD), Online Service Requests

### Resources by Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Enterprise Fund Program User Fees/Charges/Support	\$877,093	\$883,894	\$883,894	\$975,869
<b>Total Program Revenues</b>	<b>\$877,093</b>	<b>\$883,894</b>	<b>\$883,894</b>	<b>\$975,869</b>

### Expenditures By Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Personal Services	\$487,663	\$525,275	\$525,275	\$567,593
Contractual Services	385,787	352,244	352,244	401,901
Commodities	3,643	6,375	6,375	6,375
<b>Total Program Budget</b>	<b>\$877,093</b>	<b>\$883,894</b>	<b>\$883,894</b>	<b>\$975,869</b>

## UTILITY BILLING

## Financial Services Department

### Performance Measures

#### Program/Service Outputs: (goods, services, units produced)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
# of utility statements issued	969,549	986,504	994,000	1,004,000
# of customer contacts	115,775	123,745	130,000	137,000

#### Program/Service Outcomes: (based on program objectives)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
% of utility bills accurately mailed	99.8%	99.8%	99.5%	99.5%

#### Program Staffing

1 Full-Time Cust Svc Mgr	1.00
7 Full-Time Cust Svc Rep	7.00
1 Full-Time Lead Cust Svc Rep	1.00
1 Full-Time Tech Coord	1.00
<b>Total Program FTE</b>	<b>10.00</b>

#### Prior Year Highlights

Began implementation of the new Utility Billing System - NorthStar by Harris Computer Systems.

Began introducing the new billing system to customer service staff.

Developed a communication plan to share upcoming changes related to the new billing system with our customers, in conjunction with the Communications and Public Affairs office.



## Program Description

The Remittance Processing program processes and deposits all payments for utilities, licenses and permits, sales tax and alarm activations and accompanying documentation; manages the retention, retrieval and destruction of division documents through imaging, microfiche, filing, and on-and off-site storage.

## Trends

New Internet payment options were developed and offered to our customers for electronic payment of their utility bill as the Remittance Processing team continues their efforts to ensure that payments are timely processed and deposited.

## Program Broad Goals

Process and deposit payments within two days of receipt.  
Image division documents to allow for quick and easy retrieval of records and provide requested records to customers and Customer Service staff.

## Program 2005/06 Objectives

Implement alternative payment method for on-line utility bill paying using a method similar to Surepay/Automated Clearing House (payment from customer checking account).  
Implement Point of Sale check imaging (POS) to improve response research requests by June 2006.  
Implement check truncation to eliminate processing of paper checks at walk-in locations by December 2006.

## Program Provided in Partnership With

Tax & License, Utility Billing, City Mail Room, Meter Reading, Revenue Recovery, Tax Audit, Accounting, Police

## Program Customers

City Residents and Businesses

## City Council's Broad Goal(s)

Fiscal and Resource Management

## Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

## Special Equipment

Transport and related software, mail openers, Imaging System, Utility Billing System, Delinquency Turn On Notification System, Work Tracking System and a variety of payment processing software applications

### Resources by Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Enterprise Fund Program User Fees/Charges/Support	\$465,103	\$471,474	\$471,474	\$541,689
General Fund Support	465,102	471,474	471,474	541,689
<b>Total Program Revenues</b>	<b>\$930,205</b>	<b>\$942,948</b>	<b>\$942,948</b>	<b>\$1,083,378</b>

### Expenditures By Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Personal Services	\$661,616	\$644,683	\$644,683	\$781,897
Contractual Services	261,251	284,759	284,759	286,521
Commodities	7,338	13,506	13,506	14,960
<b>Total Program Budget</b>	<b>\$930,205</b>	<b>\$942,948</b>	<b>\$942,948</b>	<b>\$1,083,378</b>

## REMITTANCE PROCESSING

## Financial Services Department

### Performance Measures

#### Program/Service Outputs: (goods, services, units produced)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
# of payments processed	1,082,181	1,526,388	1,198,903	1,192,256

#### Program/Service Outcomes: (based on program objectives)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
% of payments processed within 2 days of receipt	n/a	100%	100%	100%

#### Program Staffing

1 Full-Time Cust Svc / Tax Audit Dir	1.00
1 Full-Time Cust Svc Proj Coord	1.00
9 Full-Time Cust Svc Rep	9.00
1 Full-Time Lead Cust Svc Rep	1.00
1 Full-Time Remit Process Records Mgr	1.00
1 Full-Time Sr Acctg Clerk	1.00
<b>Total Program FTE</b>	<b>14.00</b>

#### Prior Year Highlights

Implemented a new Parking Ticket system and process for payment processing.

Updated Remittance Processing statistical database to provide automated integration and reporting of workload measures.

Transitioned Senior Account Clerk/City Cashier position to Remittance Processing from the Accounting Division.

### Program Description

The Tax Audit program promotes accurate and timely payment of privilege, use, and bed tax self-assessments by taxpayers through education programs; provides guidance in tax code interpretations; evaluates local economic strength through analysis of privilege, use, bed, and property tax collections; and develops innovative solutions that will ensure the City's financial stability.

### Trends

Construction activities are on the upswing as reflected by the upward trend of associated privilege tax revenues. This trend of increased tax revenues continues for most categories.

### Program Broad Goals

- Audit taxpayer records to ensure tax code requirements are upheld.
- Provide privilege, use, and property tax data to internal and external customers.
- Provide taxpayer education regarding taxpayer rights and responsibilities.

### Program 2005/06 Objectives

- Audit and perform compliance reviews of 1.8% of Scottsdale businesses.
- Maintain a minimum ratio of \$2 collected for every \$1 in program cost.

### Program Provided in Partnership With

Economic Vitality, Accounting, Budget, IS, Planning and Development Services, Tax and License, Revenue Recovery, Remittance Processing, City Attorney

### Program Customers

City Residents & Businesses, Economic Vitality, Budget, City Manager, County Assessor

### City Council's Broad Goal(s)

Fiscal and Resource Management

### Basic Equipment

Personal computers, Microsoft Office Suite, 10-key calculators, network printers, telephone, Fax machines, copier

### Special Equipment

Software used for research, STARS - Sales Tax System

#### Resources by Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
General Fund Support	\$549,973	\$576,820	\$576,820	\$627,671
<b>Total Program Revenues</b>	<b>\$549,973</b>	<b>\$576,820</b>	<b>\$576,820</b>	<b>\$627,671</b>

#### Expenditures By Type

	Actual 2003/04	Adopted 2004/05	Estimate 2004/05	Adopted 2005/06
Personal Services	\$517,122	\$536,642	\$536,642	\$580,327
Contractual Services	30,395	37,448	37,448	44,364
Commodities	2,456	2,730	2,730	2,980
<b>Total Program Budget</b>	<b>\$549,973</b>	<b>\$576,820</b>	<b>\$576,820</b>	<b>\$627,671</b>

## TAX AUDIT

## Financial Services Department

### Performance Measures

#### Program/Service Outputs: (goods, services, units produced)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
% of total Scottsdale businesses audited or reviewed for compliance annually	2.1%	1.9%	2.1%	2.2%
% of new construction placed on the property tax roll for the proper tax year	n/a	95%	95%	95%

#### Program/Service Outcomes: (based on program objectives)

	Actual FY 2002/03	Actual FY 2003/04	Projected FY 2004/05	Projected FY 2005/06
Audit assessment ratio — total dollars assessed for every \$1.00 in cost	\$2.43	\$3.28	\$3.00	\$2.75

#### Program Staffing

1 Full-Time Property Tax Auditor	1.00
6 Full-Time Sr Tax Auditor	6.00
1 Full-Time Tax Audit Mgr	1.00
<b>Total Program FTE</b>	<b>8.00</b>

#### Prior Year Highlights

Successfully and timely implemented new tax rates into tax reporting system. The new rates pertain to public safety and McDowell Mountain Preserve as approved by citizens.

Maintained a \$5.54 assessment ratio for every \$1.00 in program costs through 3/31/05.

Enhanced taxpayer education program by continuing a rental canvass and informing non-compliant commercial and residential owners of obligations to report privilege tax. This effort resulted in a high rate of voluntary compliance for reporting the back taxes.

